

categories of PI at the highest summary level feasible (e.g., Pacific Bell may establish categories by project). Please refer to Attachment 2.

If the Pacific Bell or Nevada Bell officer who owns the PI (sending officer) is different than the non-reg affiliate officer who receives the information (receiving officer), then only the sending officer must approve the provision of such information. The sending officer should send a copy of the signed approval with documentation describing the provision of such information and why providing the PI to a non-reg affiliate is in Pacific Bell's or Nevada Bell's best interest, to the Pacific Telesis Controller. Documentation should include: description of PI, identity of service provider and receiver, why it is in Bell's best interest to provide information based on the standard of customer indifference, time period over which information will be provided, and an estimate of costs to the extent possible.

If the Pacific Bell or Nevada Bell sending officer and the non-reg affiliate receiving officer are the same individual, then the sending company's General Counsel and CFO must both provide written approval for the provision of PI. The sending officer will provide documentation to his/her company's General Counsel and CFO describing the proposed information and why providing it is in Pacific Bell's or Nevada Bell's best interest (same documentation as described in preceding paragraph).

- PI provided to PBIS must be "critical or essential." Critical or essential is defined as Pacific Bell services that PBIS must have in order to operate in the manner authorized by D. 92-07-072; i.e. excludes services that PBIS could provide using its current or additional in-house personnel or could obtain through a third party vendor, without disclosing PBIS proprietary information.
- PI must be provided under a written agreement signed on behalf of Pacific Bell or Nevada Bell and the non-reg affiliate that is to receive the PI (Attachment 2). A non-disclosure section must be included as part of that written agreement and must limit the use of the information to that agreed to by the parties. Each non-reg affiliate employee who receives information under this written agreement must sign a separate non-disclosure agreement which states that he/she will not disclose to others any information owned or controlled by the sending company (see Attachment 5 for an example).
- The CPUC's Division of Ratepayer Advocates (DRA) has requested copies of all non-disclosure agreements between Pacific Bell and affiliates; therefore, copies of these agreements must be provided to DRA via Pacific Bell Regulatory.

NOTE: See Exhibit 1 for the PTG Proprietary Information (PI) Checklist which summarizes the required process steps to comply with this policy.

ATTACHMENT 1 (Page 1 of 2)

The following are specific guidelines to amplify the Pacific Telesis Group policy regarding providing Pacific Bell (including Pacific Bell Directory) or Nevada Bell PI to a non-reg (including Category III below-the-line) affiliate under Condition 4 and, when applicable, Condition 3.

1. If PI is requested from Pacific Bell or Nevada Bell by a non-reg affiliate in order to benefit that affiliate:
 - A. Pacific Bell or Nevada Bell should determine if providing such PI is in its best interest and if customers would be indifferent. If the information is provided, it should be under a written agreement as outlined in Attachment 2.
 - B. If the non-reg affiliate is PBIS, then only PI that is "critical or essential" may be provided by Pacific Bell.
 - C. PI is to be valued prior to the transaction taking place. Pacific Bell or Nevada Bell must either determine the value, or determine that a value will be available within 30 days. If Pacific Bell or Nevada Bell determines the PI cannot be valued, the PI cannot be shared.
 - D. Billing for Pacific Bell or Nevada Bell PI must be the higher of fully distributed cost plus 10% (the 10% mark-up is not required for Nevada Bell PI billing) or market price. If the initial PI is provided to multiple affiliates, the PI's fully distributed cost payment will be apportioned to affiliate(s) based on the number of affiliate users of the PI. Please refer to Attachment 3 (Bell PI Valuation Guidelines) for more detail on PI valuation.
 - E. If the PI is provided to a non-reg affiliate in conjunction with a service received from Pacific Bell or Nevada Bell, then the non-reg affiliate's payment for the PI is covered by the non-reg affiliate's payment for the underlying service. If, however, it is determined that the PI has an independent value in addition to the direct value of providing the service to the non-reg affiliate, then Pacific Bell or Nevada Bell must bill the affiliate for the independent value under C and D above.
 - F. Pacific Bell or Nevada Bell PI that is provided orally must be based on a written document. If the non-reg affiliate has already paid Pacific Bell or Nevada Bell for the PI in the underlying document, then no further compensation is required. If Pacific Bell or Nevada Bell has not been compensated for the PI in an underlying document, then the underlying document supporting the orally-provided PI must be valued as described in Attachment 3.

ATTACHMENT 1 (Page 2 of 2)

In the infrequent situation where orally-provided Pacific Bell or Nevada Bell PI is not based on a written document, the oral PI must immediately be documented, logged and valued.

- G. PI provided by Pacific Bell and Nevada Bell should be logged according to the tracking plan contained in Attachment 4.

2. If PI is provided by Pacific Bell or Nevada Bell to a non-reg affiliate solely for use in connection with a service rendered by a non-reg affiliate to Pacific Bell's or Nevada Bell's Above-the-Line Operations:

In addition to 1A., 1F. and 1G. above:

- A. The non-reg affiliate cannot use the PI for any other purpose, including its own further use, and must return it to Pacific Bell or Nevada Bell at the end of use.
- B. No compensation is required by a non-reg affiliate to Pacific Bell or Nevada Bell because the PI is provided for the sole benefit of Pacific Bell or Nevada Bell above-the-line operations.
- C. The "critical or essential" limitation to PBIS is met because this is not a service requested by PBIS, but a service provided to Pacific Bell. By definition, the PI is "critical or essential," i.e., the information is essential to rendering the service to Pacific Bell and cannot be obtained from a third party.

3. If PI is provided in connection with a service rendered by a non-reg affiliate to Pacific Bell or Nevada Bell and also for use by a non-reg affiliate for its own benefit.

In addition to following 1A. through 1G. above:

- A. If the primary reason for providing PI to PBIS is to allow Pacific Bell to receive a service it has requested, the "critical or essential" standard is considered met. If the primary reason is for PBIS' use, the "critical or essential" standard must be met. This type of situation should be discussed with your company legal representative.

ATTACHMENT 2 (Page 1 of 2)

Proprietary Information Officer Approval/PI Sharing Agreement:

Purpose:

Written officer approval must be obtained prior to the release of any Pacific Bell or Nevada Bell ("Bell") PI to an affiliate. Pacific Bell and Nevada Bell will each define its own PI categories at the highest feasible level. Officer approval is not required for sharing individual PI documents under previously approved PI categories.

Complete the following for each category of PI:

- 1) Effective date of the agreement. (Include the date the information will be provided to the non-reg affiliate.)
- 2) Name of the Bell organization providing the PI.
- 3) Name of the non-reg affiliate receiving the information.
- 4) Description of the information to be provided.
- 5) If the information being provided is part of an existing Transfer Pricing service, give the name and schedule number of the service. Note: If the proprietary information is provided pursuant to an Employee Under Contract (EUC) or consulting service, Bell is required to track and attempt to segregate such value from the EUC or consulting service and apply the valuation for compensation process.

ATTACHMENT 2 (Page 2 of 2)

- 6) Time period over which the information will be provided.
- 7) Non-disclosure section which specifies allowable use(s) of information and the means of exchanging/protecting information by the party to which information is disclosed (receiving party).

Note: Employees who are recipients of PI under this sign-off agreement must also sign a separate employee non-disclosure agreement which states that he or she will not disclose to others any information owned or controlled by the sending company (see Attachment 5).

- 8) Documentation of why it is in Bell's best interest to share.
- 9) List any special terms and conditions.
- 10) If the value of the information is known, state the price, and explain how it was derived and what it is based on (e.g. 100 hours to develop PI @ \$200/hr. fully loaded = \$20,000 divided by the user allocator, if applicable). Refer to Attachment 3 for valuation guidelines.

Approval

Bell Officer (sending PI)

Signature

Date

Non-Reg Officer (receiving PI)

Signature

Date

If Officers are the same

CFO of Sending Company

Date

General Counsel of Sending Company

Date

Bell PI Valuation Guidelines

General Guidelines

- When billing is appropriate, billing for Pacific Bell or Nevada Bell ("Bell") PI provided to non-reg affiliates is the higher of fully distributed cost plus 10% or market price (the 10% mark-up does not apply to billing from Nevada Bell to non-reg affiliates).
- Development costs for Bell PI provided to non-reg affiliates are either for: 1) PI initially developed or purchased for and used by Bell; or 2) PI jointly developed by Bell and one or more non-reg affiliates.

PI Initially Developed For and Used by Bell

- If Bell PI is developed for its own use and subsequently provided to one or more non-reg affiliates simultaneously, Bell should charge each non-reg affiliate a share of the PI cost calculated as follows:

$$1.1 \times [\text{total PI development cost} \div (\text{number of non-reg affiliates} + 1)]$$

(Note: Nevada Bell's calculation would not include the 10% [.1] mark up)

For example, one non-reg affiliate receiving Bell PI would be charged 50% of the cost (1/2) with Bell retaining 50%, two non-reg affiliates would each be charged 33% of the cost with Bell retaining 33%, and so on. For Pacific Bell PI billing, 10% would be added to these amounts for non-reg affiliates.

- After the PI is initially provided, if additional non-reg affiliates desire to receive the information, Bell will not recalculate charges but will charge the non-reg affiliate the previously computed price.

ATTACHMENT 3 (Page 2 of 2)

PI Jointly Developed by Bell and One or More of Bell's Non-Reg Affiliates

- Unless otherwise specified to in a written agreement between Bell and the non-reg affiliate(s), Bell should incur its pro rata share of the development cost based on the number of non-reg affiliates involved in the joint development.

For example, if jointly developed with one non-reg affiliate, the total development cost would be equally divided; with two non-reg affiliates, Bell would incur 33% and the non-reg affiliates 67%; and so on. Because the PI is being jointly developed between Bell and the non-reg affiliates, the 10% mark-up does not apply.

- After the initial sharing, if additional non-reg affiliates desire to receive the information, Bell will not recalculate charges but will charge the non-reg affiliate the previously computed price.

Attachment 4

Proprietary Information (PI) Log

A log should be maintained by both Bell ("the provider") and the non-reg affiliate ("the receiver") of the PI. This log should represent all PI documents provided and should not represent categories of PI documents.

Each PI document must be logged.

Pacific Bell's and the Affiliate's log must be reconciled monthly

<u>Transaction Number</u>	<u>Date PI Provided</u>	<u>Type and/or Description of PI</u>	<u>Name, Phone, and Organization of the Bell Employee Providing the PI</u>	<u>Name, Phone and Organization of the Non-Reg Employee Receiving the PI</u>	<u>Derivation of PI's Total Value and the Non-Reg Affiliates Price</u>	<u>Amount Transferred Price</u>
Record keeping of number of PI documents released.					Total value of the PI [Fully Distributed Cost plus 10% (FDC only for Nevada Bell) or market price]. Also, Affiliate's <i>prorata price</i> (allocation based on number of users).	

ATTACHMENT 5

EMPLOYEE NON-DISCLOSURE AGREEMENT

In consideration of my original and/or continuing employment by Pacific Telesis Group (PTG) or an affiliate of PTG:

1. I understand that I will be performing work for Pacific Bell (including Pacific Bell Directory) or Nevada Bell ("Bell") on

_____ ("the Project").

2. I agree not to disclose to others, or take or use for my own purposes or the purposes of others, during or after my employment, any Proprietary Information owned or controlled by Bell. I agree that these restrictions shall also apply to all (a) Proprietary Information in Bell's possession belonging to third parties, and (b) Proprietary Information conceived, originated, discovered or developed, in whole or in part, by me. As used herein, "Proprietary Information" includes trade secrets and other confidential or proprietary business, technical, personnel or financial information, whether or not my work product, in written, graphic, oral or other tangible or intangible forms including, but not limited to, ideas, concepts, phone conversations or voicemail, written memoranda, tapes, electronic mail, microfiche, drawings, training materials, specifications, notebook entries, photographs, graphic representations, firmware, software systems and processes, computer

information or models, samples, records, data, diagrams, customer names, business or marketing plans, studies, analyses, projections and reports, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product). It also includes information which is under legal, regulatory or contractual obligation to protect. Any Proprietary Information which is not readily available to the public shall be considered to be a trade secret and confidential and proprietary, even if it is not specifically marked as such, unless Bell advises me otherwise in writing.

3. I agree that on termination of work on the Project, I will return to Bell all property belonging to Bell, including all documents or other media in my possession or control which in any way incorporate or reflect any Proprietary Information.

4. The interpretation of this Agreement shall be governed by the laws of the State of California irrespective of California's choice of law principles.

5. I understand that failure to comply with this non-disclosure agreement may result in disciplinary action, up to and including dismissal.

Important Notice: This is a legal document. Read it carefully before signing!

Signature

Social Security No.

Print Name

Date Signed

Exhibit 1

PTG PROPRIETARY INFORMATION (PI) POLICY CHECKLIST

Questions can be directed to you company's Affiliate Transaction contact (see Affiliate Transactions Policies, Guidelines and Reporting Requirements Appendix B) or your legal representative.

STEP 1	<ul style="list-style-type: none">• Review all information to determine the appropriate marking to be used to protect the document, if even required.• Review to determine if the document meets the criteria, outlined in this policy to be marked PI. See Page 37 for PI definition. <u>IF PI, GO TO STEP 2. IF NOT PI, STOP HERE</u> not subject to PI policy. <p>NOTE: If the document <u>is not</u> PI and the corporation does not want outside dissemination, the <u>"FOR INTERNAL BUSINESS PURPOSES ONLY"</u> marking would be appropriate. (See page 37)</p>
STEP 2	<p>Prior to providing Pacific Bell (including Pacific Bell Directory) or Nevada Bell "Bell" PI to non-regulated affiliates, the sender must ask the following questions:</p> <ol style="list-style-type: none">1. Is Bell PI being provided to Pacific Telesis for corporate governance purposes or the Telesis Legal Subsidiary or other PTG practicing attorneys for litigation purposes? If so, PI compensation and tracking is not required. <u>STOP HERE</u>.2. Is Bell PI being provided for the sole benefit of Bell's above-the-line operations? If so, compensation is not required but tracking the PI is required. <u>GO TO STEP 7</u>.3. If the Bell PI to be provided does not meet 1& 2 above, has Pacific Bell or Nevada Bell determined that it has a bona fide business purpose for furnishing the PI to a non-reg affiliate? If this criteria has been met, compensation and tracking of the PI is required. <u>CONTINUE THROUGH STEPS 3 - 7</u>.
STEP 3	<p>Bell must be compensated for the PI. See Attachment 1 to the Policy for PI compensation scenarios and Attachment 3 for PI valuation procedures.</p> <p>NOTE: Orally-provided Bell guidelines PI must be based on a written document. If Pacific Bell or Nevada Bell was not previously compensated for oral PI, via a written document, the underlying document supporting the orally-provided PI must be valued as described in Attachment 3.</p>

EXHIBIT 1

(Page 2 of 2)

PROPRIETARY INFORMATION (PI) CHECKLIST

STEP 4	Prior to providing Bell PI, written officer approval is required. See pages 38-39 and Attachment 2 of the Policy for more details.
STEP 5	Bell PI must be provided under a written agreement signed by Bell and the non-reg affiliate. See Page 39 and Attachment 2 for more details.
STEP 6	Employees who are recipients of Bell PI must sign employee non-disclosure agreements. See Attachment 5 of the Policy for an example.
STEP 7	<p>Both Pacific Bell ("the sender") and the non-regulated affiliate receiving the PI must log the PI. See page 39 and Attachment 4 of the Policy for more details.</p> <p>NOTE: Monthly, Pacific Bell and the non-reg affiliates' logs must be reconciled. Pacific Bell Corporate Accounting's Transfer Pricing Administration Group (TPAG) has the responsibility of collecting and reconciling all PI logs maintained by Pacific Bell organizations and the non-reg affiliates.</p>

APPENDIX B

INTELLECTUAL PROPERTY
/
PROPRIETARY INFORMATION

SAMPLE FORMS

**(MINIMUM REQUIREMENTS FOR DOCUMENTING
IP AND PI SHARED WITH AFFILIATES)**

12/13/96

Corporate Principle 80
FOR INTERNAL BUSINESS PURPOSES ONLY
Not Disclosure Outside Pacific Telesis Group And Subsidiaries

APPENDIX B

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PACIFIC BELL INTELLECTUAL PROPERTY/PROPRIETARY INFORMATION SHARING CHECKLIST

Is the information requested marked "Proprietary Information" or is it Intellectual Property? Is it correctly marked?	
Is the requester a Non-telco affiliate? If the request comes from PBIS, is it "critical and essential" that they have the information? If the request comes from PB Communications, has PB Regulatory and PT Legal approved the exchange?	
Does the request meet one of the reasons for sharing defined in the PTG policy (i.e., Corporate Governance, Litigation or Regulatory Compliance, for the benefit of the regulated business, or other?) Have you determined which requirements apply to the type of exchange?	
If the request falls under the "other" category, is there a valid, documented business reason for sharing this information? See Exhibit 3	
Is the information requested listed as an approved category for sharing in the Master Intellectual Property Licensing Agreement with that affiliate? (If not, a separate Sharing Agreement must be prepared) See Exhibit 3	
Have you completed the Document Review and Valuation Worksheets - Exhibits 4 and 5? Did you contact the Transfer Pricing Affiliates Group to determine if there is a Market Price for the information and to get the loading amounts for the base price? Did you confirm the price with the affiliate?	
Before you released the information, did you have the recipient(s) sign the Non-Disclosure Agreement? Did you send a copy to Pacific Bell State Regulatory? See Exhibit 6	
Have you logged the item on the IP/PI Log? Confirm with the recipient Affiliate that they have posted their log with the same entry number and document description. See Exhibit 2.	
Have you forwarded the log to the Transfer Pricing Affiliates Group on a quarterly basis for billing?	

After answering "yes" to all of the above questions, you can be confident that you have addressed all of the requirements for logging, valuing and billing Pacific Bell IP/PI shared with an affiliate company.

Other Considerations

Information that you would provide to outside parties at no charge may also be provided to affiliates at no charge.

Information that is required by an affiliate to meet service contract obligations can be provided to the affiliate at no additional charge.

Questions may be directed to the Transfer Pricing Affiliates Group PI Coordinators at (510) 823-9189 or (510) 824-7084

Proprietary Information (PI)/Intellectual Property (IP) Log Field Instructions

Transaction Number: A nine-character alphanumeric identifier (unique to each individual PI or IP exchange) **Document Numbering System**

- The first two characters refer to your organization's two-digit ARC.
- The next two characters are numeric and refer to the year.
- The next two characters are numeric and refer to the month.
- The next character is a dash (-)
- The last two characters are a number assigned sequentially for each unique document shared during the month.

Example: AQ9604-04

This is the fourth document shared by the Business Marketing organization during April of 1996.

Date Provided: The date the information was or will be provided to the affiliate.

Title/Description of PI or IP Exchanged: Provide a brief description of the type of PI or IP shared (e.g. business plan, marketing strategy, project proposal, information developed by vendor for Pacific Bell, software, etc.). Include the title of the document (if applicable).

"Provider" Name, Phone# and Organization (ARC): Pacific Bell employee information only. Remember to include ARC of the originating organization. This is the ARC that will be reimbursed for the value of the information once a transfer pricing bill has been generated.

"Receiver" Name, Phone# and Affiliate name: Non-regulated affiliate employee information only. Include employee name, phone number and affiliate name.

Base \$ Value and Base Cost to Affiliate: The value is comprised of the base salary and other direct costs, such as vendor costs. Prepare either Exhibit 5 - Identification and Valuation Worksheet or Exhibit 4 - Document Review Worksheet for each log entry.

For TPAG Use Only: Leave blank. The TPAG will compute the specific dollar amount to be billed (via transfer pricing) to the affiliate company. Call the Transfer Pricing Affiliates Group IP/PI Coordinators at (510) 823-9189 or (510) 824-7084.

Proprietary Information (PI)/Intellectual Property (IP) Log

FOR EXAMPLE PURPOSES ONLY

Example #1

Transaction Number	Date Provided	Title/Description of PI or IP Exchanged	"Provider" Name, Phone# and Organization (ARC)	"Receiver" Name, Phone# and Affiliate	Base \$ Value & Base Cost to Affiliate	For TPAG Use Only
6009604-001	9/27/95	RDS High Level Overview <ul style="list-style-type: none"> • Mission • Scope • Org Chart 	Jamie Gylock 510-806-0000 Pacific Bell TSG ARC: 6C	Todd Johnson 510-806-9999 Pacific Bell Video Services	0 (See attached Ex. 4)	To be determined by TPAG

In Example #1, a Pacific Bell Technology Services Group employee provided a copy of a documents entitled "RDS High Level Overview" to a Pacific Bell Video Services employee. The value of the document was determined using Exhibit 4 **before** the exchange occurred.

Example #2

Transaction Number	Date Provided	Title/Description of PI or IP Exchanged	"Provider" Name, Phone# and Organization (ARC)	"Receiver" Name, Phone# and Affiliate	Base \$ Value & Base Cost to Affiliate	For TPAG Use Only
D09604-001	10/5/95	PCS Radio Transmission Tower Site Locations	Bill Techno (510) 867-0000 Pacific Bell Statewide Line Engineering ARC: D00CA	Tom Urbanus (510) 227-0101 Pacific Bell Mobile Services	\$3,800 (See attached Ex. 5)	To be determined by TPAG

In Example #2, a Pacific Bell Statewide Line Engineering employee submitted a copy of a document entitled "PCS Radio Transmission Tower Site Locations" to a Pacific Bell Mobile Services employee. The value of the document was determined using Exhibit 5 **before** the exchange occurred.

In both examples, the "Transaction Number" is your two digit ARC, the two digit year, the two digit month, and a dash followed by the three digit transaction number starting each year with -001 and running consecutively through -999.

NOTE: A log must be maintained by both Pacific Bell ("the provider") and the Affiliate company ("the receiver").

Proprietary Information (PI)/Intellectual Property (IP) Log

Organization: _____

Period Reported: _____

Transaction Number	Date Provided	Title/Description of PI or IP Exchanged	"Provider" Name, Phone# and Organization (ARC)	"Receiver" Name, Phone# and Affiliate	Base \$ Value & Base Cost to Affiliate	For TPA Use Only

Prepared by: _____ Phone: _____

Pacific Bell ("the provider") and the Affiliate ("the receiver").

EXHIBIT 2

PACIFIC BELL
IP/PI SHARING AGREEMENT WORKSHEET

Purpose:

Written Officer approval must be obtained prior to the release of any Pacific Bell Intellectual Property/Proprietary Information to an affiliate. Define the categories, at the highest feasible level, that your Department may share with affiliates. The information below will be used to update the existing Master Intellectual Property License Agreements between Pacific Bell and each affiliate and the completed agreements will be returned for Officer approval and signature.

The _____ department of Pacific Bell is willing to share the following categories of
(Department Name)
Intellectual Property and Proprietary Information with _____
(Affiliate Name)

Category: _____

Business reason for sharing above category: _____

Category: _____

Business reason for sharing above category: _____

Category: _____

Business reason for sharing above category: _____

Prepared by:

Name: _____ Phone: _____ Date: _____

A copy of this form and back-up explanations for each category must be forwarded to:

TPAG IP/PI Coordinator
2600 Camino Ramon, 2W650H
San Ramon, CA 94583
Fax (510) 901-0524

EXHIBIT 3

PACIFIC BELL
IP/PI SHARING AGREEMENT WORKSHEET
EXAMPLE

Purpose:

Written Officer approval must be obtained prior to the release of any Pacific Bell Intellectual Property/Proprietary Information to an affiliate. Define the categories, at the highest feasible level, that your Department may share with affiliates. The information below will be used to update the existing Master Intellectual Property License Agreements between Pacific Bell and each affiliate and the completed agreements will be returned for Officer approval and signature.

The Network Engineering department of Pacific Bell is willing to share the following categories of Intellectual Property and Proprietary Information with all Affiliates.

Category: Video Dial Tone service technical Information

Business reason for sharing above category: Providing VDTS technical information will aid PTVS in implementing revenue producing services for the Pacific Bell network.

Category: Pacific Bell Best Practices - Project Management System

Business reason for sharing above category: Having affiliates use the Best Practices project management techniques will improve communication between Pacific Bell and affiliates engaging in joint projects thereby lessening the possibility of delays and costly mistakes. Additionally, Pacific Bell will recover part of the cost for developing Best Practices.

Category: Analyses of Market Research on Customer Preference Trends

Business reason for sharing above category: Sharing Pacific Bell developed analyses of customer preference trends based on raw data that is public information benefits Pacific Bell because Bell will recover a portion of the cost to produce the information.

Prepared by:

Name: _____ Phone: _____ Date: _____

A copy of this form and back-up explanations for each category must be forwarded to:

TPAG IP/PI Coordinator
2800 Camino Ramon, 2W650H
San Ramon, CA 94583
Fax (510) 901-0524

Pacific Bell
Intellectual Property / Proprietary Information
Document Review Worksheet

Document # _____ Description _____

Document Shared with: _____
Name of Affiliate

Reviewed by _____ Phone Number _____

Does document require valuation? Yes No
If yes, attach Valuation Worksheet (Exhibit 5). If no, explain why valuation is not required.

Explanation:

(Forward to your IP/PI Log Coordinator
along with Valuation Worksheet, Ex. 5, if required)

Questions may be directed to the Transfer Pricing Affiliates Group IP/PI
Coordinators on (510) 823-9189 or Lisa Hargrove on (510) 824-7084

Pacific Bell
**INTELLECTUAL PROPERTY (IP)/PROPRIETARY INFORMATION (PI)
IDENTIFICATION AND VALUATION WORKSHEET**

Log # _____ Description _____

STEP 1 - Read Pacific Bell Policy on Intellectual Property Including Proprietary Information.

STEP 2 - Name of recipient(s) and Affiliate that has requested a copy of this document?

Name _____ Phone _____ Affiliate _____

STEP 3 - Was this document created by or for Pacific Bell? YES / NO (circle one)

If not, was it created specifically for an affiliate? Which one? _____

Was this document ever distributed to an affiliate or Non-Bell recipient? YES / NO (circle one)

If yes, name recipient _____ and price charged \$ _____

STEP 4 - Please assign a base value to the document as best you can providing the following information:

1. How were the expenses charged for this project? Regulated or Non-Regulated (circle one)

2. Were expenses charged to a Tracking Code? If so, what Tracking Code? _____

3. Number of management hours to produce the IP/PI? _____

4. Base (unloaded) Hourly Rate of the author(s) \$ _____

Primary JFC _____ ARC _____ (current ARC if changed)

5. Number of clerical hours _____ Base Hourly Rate \$ _____

Primary JFC _____ ARC _____ (current ARC if changed)

6. Other Expense (e.g., consultant, technical information from outside vendor)

(describe) _____ \$ _____

7. Purchased from another source (e.g., Bellcore)? Purchase price?

Vendor Name _____ \$ _____

8. What ARC do you want to receive the Revenue from this sale? _____

STEP 5 - Prepared by _____ Phone _____ Date _____

(Your Budget Manager or PI Log Coordinator may be of assistance in obtaining this information)

Questions may be directed to Brenn Hudak on (510) 823-9189 or Lisa Hargrove on (510) 824-7084

Forms should be returned to your PI Log Coordinator

EXHIBIT 5

<p style="text-align: center;">Non-Disclosure Agreements Descriptions and Uses for Affiliate Companies</p>
--

Attached are three non-disclosure agreements that you or members of your organization may need in order to meet the requirements of sharing IP/PI or to meet the general business requirements of the company. Please read each agreement carefully before using.

Copies of all Pacific Bell non-disclosure agreements signed by affiliate company employees should be forwarded to: **Pacific Bell State Regulatory**
140 New Montgomery Street, Room 914
San Francisco, CA

A copy should be retained by the originating department.

Employee Meeting Non-Disclosure Agreement

This non-disclosure agreement is used when employees of an affiliate company are invited to a meeting held by Pacific Bell where Intellectual Property and/or Proprietary Information may be discussed. An example is when an officer of an affiliate company who is also a dual officer of Pacific Bell attends a Pacific Bell planning meeting. Another example is where an affiliate employee is doing work for Pacific Bell and that employee is invited to a meeting to discuss a related project.

This non-disclosure agreement is good for three months.

Reciprocal Non-Disclosure Agreement

This non-disclosure agreement can be used when Pacific Bell begins discussions with an affiliate about a potential business relationship. In these discussions, some Intellectual Property and/or Proprietary Information may need to be revealed; therefore, the affiliate employees would be required to sign a non-disclosure form. Pacific Bell employees need to be aware that the type of information revealed at these high-level meetings must be limited to the type of information that would be revealed to any outside third party in a similar situation.

Employee Non-Disclosure Agreement

This is the general non-disclosure agreement that should be signed by affiliate employees who receive Pacific Bell Intellectual Property and/or Proprietary Information. In conjunction with sending out requested IP/PI information, the Pacific Bell SPOC should also send out the employee non-disclosure agreement for signature. If another party in Pacific Bell sends the IP/PI document to the affiliate, the Pacific Bell SPOC should immediately follow up with the recipient to obtain a signed non-disclosure agreement.

EMPLOYEE NON-DISCLOSURE AGREEMENT

8/96

In consideration of my original and/or continuing employment by Pacific Telesis Group (PTG) or an affiliate of PTG:

1. I understand that I will be performing work for Pacific Bell on the following project:

(Project Name)

or I am the recipient of the following written or verbal Proprietary Information from Pacific Bell:

(Title from PI Log)

2. I agree not to disclose to others, or take or use for my own purposes or the purposes of others, during or after my employment, any Proprietary Information owned or controlled by Pacific Bell. I agree that these restrictions shall also apply to all (a) Proprietary Information in Pacific Bell's possession belonging to third parties and (b) Proprietary Information conceived, originated, discovered or developed, in whole or in part, by me. As used herein, "Proprietary Information" includes trade secrets and other confidential or proprietary business, technical, personnel or financial information, whether or not my work product, in written, graphic, oral or other tangible or intangible forms including, but not limited to, ideas, concepts, phone conversations or voicemail, written memoranda, tapes, electronic mail, microfiche, drawings, training materials, specifications, notebook entries,

photographs, graphic representations, firmware, software systems and processes, computer information or models, samples, records, data, diagrams, customer names, business or marketing plans, studies, analyses, projections and reports, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product). It also includes information which must be protected under legal, regulatory or contractual obligation. Any Proprietary Information which is not readily available to the public shall be considered to be a trade secret and confidential and proprietary, even it is not specifically marked as such, unless Pacific Bell advises me otherwise in writing.

3. I agree that on termination of work on the Project, I will return to Pacific Bell all property belonging to Pacific Bell, including all documents or other media in my possession or control which in any way incorporate or effect any Proprietary Information.

4. The interpretation of this Agreement shall be governed by the laws of the State of California irrespective of California's choice of laws principles.

5. I understand that failure to comply with this non-disclosure agreement may result in disciplinary action, up to and including dismissal.

Important Notice: This is a legal document. Read it carefully before signing!

Signature

Name of Affiliate

Print Name

Social Security No.

Date: _____

**A copy of this form must be forwarded to:
Pacific Bell Regulatory, 140 New Montgomery, Room 914
San Francisco, CA**

EXHIBIT 6A

RECIPROCAL NON-DISCLOSURE AGREEMENT

THIS AGREEMENT, effective _____, 19____, is between PACIFIC BELL, a California corporation ("PACIFIC"), and _____, a _____ corporation ("SECOND PARTY").

The parties agree as follows:

1. In connection with ongoing discussion or negotiations between PACIFIC and SECOND PARTY concerning _____ (the "Project"), PACIFIC may find it beneficial to disclose to SECOND PARTY certain confidential or proprietary information in written, oral or other tangible or intangible forms which may include, but is not limited to, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, tracings, diagrams, models, samples, flowcharts, data, computer programs, disks, diskettes, tapes, marketing plans, customer names and other technical, financial or business information (individually and collectively, "Information"). All such Information shall be deemed to be confidential or proprietary.

2. SECOND PARTY understands that, except as otherwise agreed in writing, the Information which it may receive concerning PACIFIC'S future plans with respect to the Project is tentative and is not intended to represent firm decisions by PACIFIC concerning the implementation of such plans. Information shared hereunder does not represent a commitment by PACIFIC or SECOND PARTY to purchase or provide any products or services from or to each other. IF PACIFIC or SECOND PARTY desire to purchase or otherwise acquire any products or services from each other, SECOND PARTY and PACIFIC will execute a separate written agreement to govern such transactions.

3. With respect to Information received from PACIFIC under this Agreement, SECOND PARTY shall:
- a) hold such Information in confidence;
 - b) restrict disclosure of the Information solely to its employees, contractors and agents with a need to know such Information and advise those persons of their obligations hereunder with respect to such Information;
 - c) use the Information only as needed for the purpose of the Project;
 - d) except for the purpose of the Project, not copy or otherwise duplicate such Information or knowingly allow anyone else to copy or otherwise duplicate such Information, and any all copies bear the same notices or legends, if any, as the originals; and
 - e) on request, promptly return to PACIFIC all Information in a tangible form or certify to PACIFIC that it has destroyed

or, if the Information is recorded on an erasable storage medium, erased such Information.

4. SECOND PARTY shall have no obligation to preserve the confidential or proprietary nature of any Information which:
- a) was already known to SECOND PARTY free of any obligation to keep it confidential at the time of its disclosure by PACIFIC, as evidenced by SECOND PARTY'S written records prepared prior to such disclosure; or
 - b) is or becomes publicly known through no wrongful act of SECOND PARTY; or
 - c) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to PACIFIC with respect to such Information; or
 - d) is independently developed by an employee, contractor or agent of SECOND PARTY not associated with the Project and who did not have any direct or indirect access to the Information; or
 - e) is disclosed to a third person by PACIFIC without similar restrictions on such third person's rights; or
 - f) is approved for release by written authorization of PACIFIC.

5. This Agreement shall apply to all Information relating to the Project disclosed by PACIFIC to SECOND PARTY and shall continue until either party delivers notice of termination to the other party; provided, however, that all obligations hereunder with respect to Information received prior to the termination of this Agreement shall survive such termination.

6. Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise in any Information

7. This agreement shall benefit and be binding upon the parties hereto and their respective subsidiaries, affiliates, successors and assigns.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of California, irrespective of its choice of laws principles.

Important Notice: This is a legal document. Read it carefully before signing!

Signature

Name of Affiliate

Print Name

Social Security Number

Date: _____

A copy of this form must be forwarded to:
Pacific Bell State Regulatory, 140 New Montgomery, Room 914
San Francisco, CA

EMPLOYEE MEETING NON-DISCLOSURE AGREEMENT

In consideration of my original and/or continuing employment by Pacific Telesis Group (PTG) or an affiliate of PTG, in this case, _____, I agree as follows:

1. I understand that I will be attending business meetings with Pacific Bell, including Pacific Bell Directory or Nevada Bell, ("Bell") at various times where proprietary information may be revealed. I will be attending these meetings at the request of Bell to insure that my affiliate employer,

_____, will be kept informed on Bell activities and information that would affect _____'s work on behalf of Bell.

2. I agree not to disclose to others, or take or use for my own purposes or the purposes of others, during or after my employment at _____, any Proprietary Information owned or controlled by Bell. I agree that any such Bell Proprietary Information will be used at _____ only on behalf of Bell, and will not be shared with any other affiliate, nor used by _____ on behalf of any other affiliate. I agree that these restrictions shall also apply to all (a.) Proprietary Information in Bell's possession belonging to third parties, and (b.) Proprietary Information conceived, originated, discovered or developed, in whole or in part, by me. As used herein, "Proprietary Information" includes trade secrets and other confidential or proprietary business, technical, personnel or financial information, whether or not my work product, in written, graphic, oral or other tangible or intangible

forms including, but not limited to, ideas, concepts, phone conversations or voice mail, written memoranda, tapes electronic mail, microfiche, drawings, training materials, specifications, notebook entries, photographs, graphic representations, firmware, software systems and processes, computer information or models, samples, records, data diagrams, customer names, business or marketing plans, studies, analyses, projections and reports, communications by or to attorneys (including attorney-client privileged communications), memos and other material prepared by attorneys or under their direction (including attorney work product). It also includes information which must be protected under legal, regulatory or contractual obligation. Any Proprietary Information which is not readily available to the public shall be considered to be a trade secret and confidential and proprietary even if it is not specifically marked as such, unless Bell advises me otherwise in writing.

3. The interpretation of this Agreement shall be governed by the laws of the State of California, irrespective of California's choice of laws principles.
4. I understand that failure to comply with this non-disclosure agreement may result in disciplinary action, up to and including dismissal.

Pacific Bell has requested that an employee of _____ (an affiliate company) attend certain meetings with Pacific Bell groups so that _____ can do a better job on behalf of Pacific Bell. Any proprietary information shared at these meetings will only be used by _____ in its work on behalf of Pacific Bell.

Important Notice: This is a legal document. Read it carefully before signing!

Signature

Print Name

Social Security Number

Date Signed

This non-disclosure is in effect for three (3) months from the date it is signed.

A copy of this form must be forwarded to:

Pacific Bell State Regulatory
140 New Montgomery, Room 914
San Francisco, CA